

**BACHELOR OF ARTS (LIBERAL ARTS)**  
**CORE COURSE (CC): ECONOMICS SEMESTER - I**  
**(BLAB31101T) MICRO ECONOMICS**

**MAX. MARKS:100**

**EXTERNAL:70**

**INTERNAL:30**

**PASS:40%**

**OBJECTIVE:**

**CREDITS:6**

This course acquaints the students with the basic principles of Microeconomics and economic activities. It will help the students to understand the subject by applying it to their day to day experiences.

**INSTRUCTIONS FOR THE PAPER SETTER/EXAMINER:**

1. The syllabus prescribed should be strictly adhered to.
2. The question paper will consist of three sections: A, B, and C. Sections A and B will have four questions each from the respective sections of the syllabus and will carry 10 marks each. The candidates will attempt two questions from each section.
3. Section C will have fifteen short answer questions covering the entire syllabus. Each question will carry 3 marks. Candidates will attempt any 10 questions from this section.
4. The examiner shall give a clear instruction to the candidates to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.
5. The duration of each paper will be three hours.

**INSTRUCTIONS FOR THE CANDIDATES:**

Candidates are required to attempt any two questions each from the sections A, and B of the question paper, and any ten short answer questions from Section C. They have to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.

**Section - A**

**Meaning, nature and scope of economics;** Methodology of Economics. Role of Assumptions

**Theory of Demand and Elasticity of Demand**

**Consumer Behaviour:** Cardinal utility analysis; Indifference curve analysis.

**Production Function:** Law of Variable Proportions and Returns to Scale

**Concepts of Cost and Revenue:** types, shapes of cost curves in short and long period; shapes of revenue curves in different market forms; relationship of AR, MR and Elasticity.

### **Section - B**

**Price and Output Determination of Firm and Industry under Perfect Competition Imperfect Competition:** Monopoly and Monopolistic Competition.

**Theories of Distribution:** Marginal Productivity Theory and the Modern Theory. **Theories of Rent and Profit:** Ricardian and Modern Theories of Rent, Risk and Uncertainty theories of Profit.

**Theory of Interest:** Classical and Loanable Funds theories

#### **Suggested Readings:**

1. A. Koutsoyiannis: Modern Microeconomics, Palgrave Macmillan.
2. N. Gregory Mankiw, Economics: Principles and Applications, India edition by South Western, a part of Cengage Learning, Cengage Learning India Private Limited, 4th edition, 2007.
3. Salvatore. D (2006) Theory and Problems of Microeconomic Theory. (3<sup>rd</sup> ed.) Tata McGraw-Hill Publishing Company Ltd.
4. Samuelson, Paul A and Nordhaus, William D: Economics, 18th Edition, Tata McGraw Hill Publishing Company Limited, New Delhi, 2006